IN HONOR OF HUFF-N-PUFFERS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to honor the participants in the Huff-N-Puffers senior citizen baseball league.

This is a wonderful organization that provides and promotes physical activity for seniors. This is a great way for seniors to get together to socialize and partake in aerobic activities. The Huff-N-Puffers is open to anybody who is over the age of 65. This program was started in 1985 and has more than doubled in size since that time.

These senior citizens participate in many games and tournaments around the country as well as a championship tournament at the end of each season. They have a very busy schedule consisting of around 20 games against other teams in their league. These seniors are an inspiration to us all by getting the best out of what life has to offer.

My fellow colleagues please join me in honoring the dedication of these outstanding athletes.

CONGRATULATING MS. NICOLE SIEMINSKI

HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. INSLEE. Mr. Speaker, I rise today to congratulate Ms. Nicole Sieminski for earning the honor of 1999 Class Valedictorian at Marysville-Pilchuck High School in Marysville, WA. Ms. Sieminski is the first member of the Tulalip Tribes to achieve this distinguished position at Marysville-Pilchuck High School. I want to commend her for her dedication and commitment to education. Clearly, great achievements such as this do not occur by chance. Ms. Sieminski worked very hard throughout her high school years. I know that the knowledge and skills she gained at Marysville-Pilchuck High School will help her reach even higher goals in the future.

INTRODUCTION OF H.R. 2337, THE ''MEDICARE COVERAGE INFORMATION DECISION ACT OF 1999''

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. RAMSTAD. Mr. Speaker, I rise today to introduce legislation to greatly improve the Medicare coverage decision-making process.

While Medicare law provides for the coverage of various categories of benefits, it does not specify a list of covered technologies and services. That's where the Health Care Financing Administration (HCFA) and its coverage process come in to play.

Medical technology and innovation play an important role in this critical health care program for America's seniors. As new life-enhancing and life-saving technologies and procedures are developed, and more Americans learn about them, the process for making these coverage decisions becomes increasingly important.

HCFA recently published its new proposal to completely overhaul the decision-making process, and I applaud the hard work and time HCFA staff put into developing this new process. HCFA has been attempting to make these much needed changes for over a decade, and it was Dr. Jeffrey Kang's leadership and thoughtful approach at HCFA that finally brought the effort to fruition.

HCFA's proposal is a good first step in making the coverage process transparent, timely and understandable. However, I believe there are a few additional issues that need to be addressed.

In addition to addressing the issue of appeals—which my good friend and Health Subcommittee Chairman Thomas is working on—and timely payment and coding updates—which I outlined in my other bill, H.R. 2030, the Medicare Patient Access to Technology Act—we also need to ensure the process encourages HCFA to work in a collaborative way with those petitioning for coverage.

For example, current Food and Drug Administration law provides for early meetings and a written agreement between manufacturers and the FDA on the studies to be done for premarket approvals. Both parties have found this to be a beneficial tool because both know what is required. In addition, I am told FDA staff has found it improves their efficiency when agreed-upon data is submitted for review.

I strongly believe HCFA's coverage process should include a similar step.

HCFA currently allows stakeholders to come in and informally discuss the required data, but no written agreement is ever reached. The importance of this agreement cannot be understated. Without an agreement, HCFA is not required to accept the data given to them, even when HCFA initially suggested it at the early meeting. HCFA's ability to continuously change what constitutes appropriate data has left many companies in my district stuck in an endless loop of data collection. In fact, one constituent company of mine, Empi, has been petitioning for a coverage decision for over 7 years!

Given the handful of national coverage decisions that are announced each year, I believe HCFA's informal discussions could be transformed into more formalized collaborative meetings at which binding agreements could be written. That's why I am introducing this legislation today to require HCFA to meet with stakeholders and develop an agreement on the required data, should the stakeholders request to do so.

Just as with the FDA process, there are exceptions in the legislation to give HCFA flexibility for changing the agreement should it become aware of a new, substantial scientific issue that would impact its ability to adequately review the technology or procedure. In addition, should HCFA wish to change the agreement for other reasons, it can do so with the written consent of the stakeholders.

These meetings and agreements are practical and beneficial additions to the coverage decision-making process. I urge my colleagues to cosponsor this legislation to further improve this important process and ensure Medicare beneficiaries have timely access to life-saving and life-enhancing medical innovations.

INTRODUCTION OF A BILL TO NAME A POST OFFICE IN EAST CHICAGO, INDIANA AFTER LANCE CORPORAL HAROLD GOMEZ

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. VISCLOSKY. Mr. Speaker, today I was joined by the other nine members of the Indiana House delegation in introducing legislation to name a post office in East Chicago, Indiana, after a true hero of my congressional district, Marine Corps Lance Corporal Harold Gomez. Lance Corporal Gomez was the first citizen of Northwest Indiana to give his life for his country during the Vietnam War. My colleagues and I firmly believe that the time has come to honor him in a way that will value his memory and his sacrifice. To name a post office after Lance Corporal Gomez, a place that is synonymous in our country with the center of a community's life, is an appropriate way to accomplish this worthy goal.

Lance Corporal Gomez was born in East Chicago in 1946 and graduated from East Chicago's Washington High School in June 1965. After working briefly at Inland Steel Company, he enlisted in the U.S. Marine Corps and was ordered to Vietnam in 1966. A fire team leader in a rifle company of the Third Marine Division, a land mine killed Lance Corporal Gomez on February 21, 1967, while on duty in South Vietnam. For his valiant leadership and bravery during that day's combat, the Marine Corps posthumously awarded him the Silver Star Medal. Lance Corporal Gomez was also awarded the Purple Heart Medal, a Combat Action Ribbon, a Presidential Unit Citation, the National Defense Service Medal, the Vietnam Campaign Medal, and the Rifle Sharpshooters Badge.

In Harold Gomez's all-too-brief life, he touched many lives and was admired by friends and comrades alike. I consider it a privilege to take this opportunity to honor a true hero who still serves us now as a source of inspiration to the citizens of East Chicago and the whole of Northwest Indiana. On behalf of those citizens from my district who answered their country's call, those who made it home and those who did not, I am proud to introduce this legislation to name an East Chicago post office in honor of Lance Corporal Harold Gomez.

HONORING THE MOST REVEREND G. AUGUSTUS STALLINGS, JR., D.D., ARCHBISHOP AND FOUNDER ON HIS 25TH ANNIVERSARY AS A PRIEST AND THE 10TH ANNIVERSARY OF THE IMANI TEMPLE

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mrs. CLAYTON. Mr. Speaker, on Sunday, July 4, 1999, at 10:00 a.m., when the Nation

pauses to celebrate its independence, the Imani Temple, African-American Catholic Congregation, will also pause to celebrate its founding and to properly pay tribute to its Archbishop and Founder, the Most Reverend G. Augustus Stallings, Jr. D.D. This native North Carolinian has made our state proud.

Archbishop Stallings is not an ordinary man. He has braved perilous waters, daring to be different, daring to walk alone, daring to have a purpose firm and daring to make it known. He understands Saint Matthew at Chapter 16, Verse 18, which reminds us that, ''Upon this rock I will build my church; and the gates of hell shall not prevail against it.'' He follows the instruction of Ecclesiastes, Chapter 4, Verse 12, which teaches that, ''. . . though a man might prevail against one who is alone, two will withstand him. A threefold cord is not quickly broken.''

With faith as his instrument and God as his guide, in the Imani Temple, Archbishop Stallings has created a formless rock, and by joining in a strong, woven cord, the Church helps our families avoid stumbling blocks and helps them shape stepping stones. That is because Father Stallings recognizes that the real strength of America, and the real strength of his Church, is compassion for people, those who live in the shadows of life—the poor, the weak, the frail, the disabled, our children, our seniors, the hungry.

More importantly, unlike some, Archbishop Stallings does not sit in comfortable pews, shielded by stained glass windows, protected from the people and things that many do not wish to see. No, he makes certain his Church goes out and embraces the huddled masses, crouched beneath the street lights of our Nation.

The common fabric that can be found in Archbishop Stallings and other great leaders of our time is compassion. He cares. He is comfortable, embracing the infirm, hugging a child, standing up for the downtrodden. He responds to the less fortunate among us, those who work hard yet can not make ends meet, those who dwell in the back alleys and on the rear stoops of our towns and cities, in the gutters of America, those who need a little help to make it through the day.

And, so it is fitting, that we pause and pay tribute to Archbishop Stallings on the 10th Anniversary of the founding of Imani Temple and on the 25th Anniversary of his tenure as a Priest.

INTRODUCTION OF A BILL TO CLARIFY THE TAX TREATMENT OF SETTLEMENT TRUSTS ESTABLISHED PURSUANT TO THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill to clarify the tax treatment of Settlement Trusts authorized by the Alaska Native Claims Settlement Act. This legislation is very similar to a bill that I introduced with my colleagues, Congressman GEORGE MILLER and J.D. HAYWORTH, last Congress.

The bill has been further improved from last Congress and a companion measure was introduced in the Senate recently. This bill will be cited as the ''Alaska Native Claims Settlement Act Settlement Trusts Remedial Tax Act of 1999''.

Federal law first authorized settlement trusts in 1988 to permit Alaska Native Corporations to provide a variety of benefits to their shareholders in a long term permanent manner. Present law requires settlement trusts to report tax information to their beneficiaries on Form K–1, rather than Form 1099 which corporations use. This causes confusion to the beneficiaries and encourages misreporting of income. This legislation requires all settlement trusts to use Form 1099.

In recent years I have written to the Chairman of the Ways and Means Committee informing him that what had started as a simple proposition, promoted by Congress in the Settlement Trust legislation—to provide aid from a protected source to Alaska Natives who often have very little in other available assets to sustain them and in particular in their retirement years—had become a complex and bewildering situation which frustrated the use of the settlement trust provisions in law. This result stems from an IRS interpretation calling for the immediate taxation to potential beneficiaries when these trusts are established by Alaska Native corporations which have earnings and profits, as opposed to taxation when the money is actually received by the beneficiaries. Put simply, in the case of some beneficiaries, particularly the elderly, who have to prepay taxes in order to receive their benefits and, if they die prematurely, they will not even receive the amount of their prepaid taxes back. Needless to say, this is a substantial impediment to setting up and continuing such beneficial trusts.

But those Native corporations having favorable tax situations which enable them to make contributions to trusts which are not immediately taxable to their beneficiaries face other impediments. The IRS has taken the position that there is no authority to withhold tax from beneficiary payments, which prevents a simple way for a Native to pay his or her tax. The IRS requires that trust reporting to beneficiaries be accomplished via the complex so-called ''K–1'' form as opposed to the simple 1099 form, so familiar to most of us. As you can imagine, the requirement to use the former, particularly in rural areas in the state of Alaska where accountants may not be readily available, presents major reporting problems. We believe the IRS internally has been supportive of such a change but has advised in the past that it would need to be accomplished by statute.

Finally, the original authorizing legislation failed to provide a mechanism to encourage sustaining the longevity of these trusts dedicated to the goals enumerated. Such trusts are currently treated as regular trusts and penalized for accumulating income with an assessment of the highest marginal tax rate. Accordingly, from the standpoint of a settlement trust, it currently makes good tax sense to distribute all income to the beneficiaries rather than leaving it to be taxed at the current trust tax rate. This, however, does not make good social sense and encourages the opposite result one would envision for these entities, whose goal is to sustain the funds on a long-term basis in order to fulfill the objectives envisioned for Settlement Trusts.

Therefore, I am pleased that, on a bipartisan basis, I can join my colleague and Ranking Minority Member on the Resources Committee, Mr. MILLER, and my other distinguished colleagues Mr. HAYWORTH, Mr. KILDEE and at least 16 other cosponsors to introduce this important remedial legislation. I am attaching a brief summary and section by section analysis of the legislation.

SETTLEMENT TRUST CORRECTIVE TAX LEGISLATION

Federal law first authorized settlement trusts in 1988 to permit Alaska Native corporations to provide a variety of benefits for their Native shareholders in a long term, permanent fashion. Although Alaska Native corporations are not governments, they do provide many social services to their shareholders. We have worked with the Treasury Department on the proposed legislation, which clarifies present law and provides an elective tax structure to encourage use of these trusts as follows:

(1) Contributions to an electing settlement trust are not taxable to the shareholders. Present IRS ruling policy is that contributions to settlement trusts are deemed distributions to the Native corporation's shareholders. If that corporation has earnings and profits under the tax law, the deemed distributions will then be taxable to the shareholders even though they have not actually received any money. The legislation eliminates this significant disincentive by providing that contributions to an electing trust are not currently taxable to the shareholders.

(2) Permit electing settlement trusts to retain up to 45% of their annual taxable income without adverse tax consequences. Present law imposes a severe penalty for inflation proofing these trusts (which permits constant dollar benefits to be provided), by taxing reinvested income at the maximum individual tax rates (presently 39.6 percent). The legislation provides that up to 45 percent of the trust's annual income can be reinvested in the trust without current taxation, but this reinvested income will be eventually taxable at ordinary income rates to shareholders when distributed. This treatment continues so long as the only persons who hold the beneficial interests in the trust are persons who could hold the Native corporation's own stock.

(3) Impose severe penalties on electing settlement trusts which no longer benefit Alaska Natives. The settlement trust election is intended to benefit Alaska Natives. In the event that a settlement trust ceases to benefit Alaska Natives, the trust will no longer be permitted to receive the elective benefits discussed above. In addition, unless the trust terminates through a distribution of its assets, a one-time tax is imposed at the highest marginal income tax rates upon the value of the trust's assets.

(4) Require withholding on certain trust distributions. Present law does not require any income tax withholding on trust distributions. Under the proposed legislation, withholding on distributions by any settlement trust is required to the extent the annualized distributions exceed the basic standard deduction and personal exemption amounts under the Tax Code.

(5) Modify information reporting requirements. Present law requires settlement trusts to report tax information to their beneficiaries on Form K–1, rather than Form 1099 which corporations use. This causes confusion to the beneficiaries and encourages misreporting of income. The proposed legislation requires all settlement trusts to use Form 1099.